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COMMENTS ARE DUE Sept. 9 on the National Business Aircraft Association's petition to FAA seeking an exemption for its members from the November 26, 1987 compliance date for installation of fire-blocking materials in the passenger cabins of Part 135 aircraft. FAA is expected to grant some relief from the regulation, but may require individual operators to apply separately rather than granting a blanket exemption.

AERO MECHANISM, a Chatsworth, Calif. manufacturer of avionics, said increasing requirements for use of altitude encoders in terminal control areas is boosting its encoder business. Because of an influx of new orders, the company said it has increased production from 100 units per month to 250 and expects to be building 500 units per month by yearend.

ANOTHER INDICATION that Elizabeth Dole may be leaving DOT is a recent series of sharply critical statements about Congress. She accused legislators of publicly criticizing DOT and FAA for not doing enough about aviation safety, "and when the cameras are turned off, they cut our FAA budget request." Engaging in avoidable fights with members of Congress has not been a hallmark of her reign at DOT.

ALLIED-SIGNAL AEROSPACE, in a move reminiscent of Richard Ferris' substitution of Allegis for UAL, is considering elimination of the well-known Garrett and Bendix names from many of its products. The company previously announced a corporate restructuring plan (BA, Aug. 3/34).

FAIRCHILD AIRCRAFT BEING SOLD TO INVESTOR, MANAGEMENT GROUP

Fairchild Industries said last week it has reached agreement with a group of investors to sell Fairchild Aircraft Corp., the San Antonio, Tex.-based aircraft manufacturing firm. Purchaser is GMF Investments, a privately held company "formed to acquire companies with growth potential," according to Fred Kopko, one of the Los Angeles-based company's directors. GMF has ties to North American Ventures, the East Hartford, Conn. firm that previously acquired Butler International, including Butler Aviation (BA, Nov. 24/161).

The purchase of FAC also includes participation by senior management of the San Antonio firm, including FAC President Tom Smith. Smith said last week that "there will be no difference in the current structure of the company other than that we will not have a large Washington, D.C. company that is our master. We will be a small, independent company operating under existing management." Smith added that while GMF would essentially own FAC, GMF officials are not motivated toward taking over an operating role in the company. "We will be free to make our own decisions," Smith said.

GMF purchase includes Fairchild's Gen-Aero modification operation in San Antonio and Fairchild Aircraft Service Division in Crestview, Fla. Fairchild Industries also is selling some non-aviation assets of its General Industry business segment and said it expects to receive a total of $75 million. Most of that amount is expected to come from Fairchild Aircraft. Closing of the agreements is anticipated by the end of October.

Agreement with GMF, if successfully concluded, will end a long-term search for a buyer for Fairchild Aircraft. Fairchild Industries was close to an agreement with Italian manufacturer Aeritalia earlier this year, but that deal fell through, apparently because the firms could not reach agreement on assignment of liability for the existing fleet of Fairchild Metro and Merlin aircraft (BA, June 15/195).

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STATUS OF AIRPORT & AIRWAY TRUST FUND

JUNE 30, 1987

	CURRENT MONTH	FISCAL YEAR TO DATE
I. BALANCE - BEGINNING OF PERIOD	$ 9,364,784,334.86	$ 8,525,199,213.60
II. RECEIPTS:		
A. Excise Taxes (Transferred from General Fund):		
Any liquid fuel except gas	6,037,000.00	54,598,000.00
Tires used on aircraft	0.00	0.00
Tubes used on aircraft	0.00	0.00
Gasoline		
1. Commercial 9 cents tax	225,000.00	2,025,000.00
2. Non-commercial 9 cents tax	1,598,000.00	23,567,000.00
3. Non-commercial 3 cents tax	533,000.00	8,008,000.00
4. Transp by air,seats,berths,etc.	278,482,000.00	2,025,269,000.00
Use of international trav fac	8,821,000.00	66,092,000.00
Transp of property and cargo	15,604,000.00	118,623,000.00
Total Tax Receipts	311,300,000.00	2,298,182,000.00
B. Less Reimbursement to General Fund - Refund of Taxes and Estimated Tax Credits :		
1. Civil aircraft	0.00	1,820.00
2. Any liquid fuel except gas	0.00	3,322,530.00
3. Gasoline -Retailer's tax	900,000.00	2,902,180.00
4. Gasoline -Manufac. tax	0.00	270.00
Total Reimburse For Tax Refunds	900,000.00	6,286,800.00
Net Tax Receipts	310,400,000.00	2,291,895,200.00
C. Interest on Investments	445,162,126.25	869,374,696.48
Net Receipts	755,562,126.25	3,161,269,896.48
III. EXPENDITURES :		
A. Federal Aviation Administration :		
1. Operations	90,000,000.00	502,746,990.25
2. Grants-in-aid for airports	58,244,787.70	648,054,797.40
3. Facilities & equipment	50,042,110.14	585,867,580.52
4. Research engineering & development	10,696,725.02	123,920,303.66
B. NOAA weather services	7,250,550.00	21,750,000.00
C. Interest on Refund of Taxes	0.00	17,150.00
Total Expenditures	216,234,172.86	1,882,356,821.83
IV. BALANCE - END OF PERIOD	9,904,112,288.25	9,904,112,288.25

ASSETS :		
Undisbursed Balances:		$
Airport & Airway Trust Fund	692.38	
Operations	-1,625.59	
Grants-in-aid for Airports	-7,229,067.08	
Facilities & Equipment	12,527,978.78	
Research Engineering & Development	4,194,309.76	
NOAA weather services	0.00	
		$ 9,492,288.25
Investments :		
U.S. TREASURY CERTIFICATES OF INDEBTEDNESS:		
8-5/8% maturing June 30, 1988	$ 9,894,620,000.00	
		9,894,620,000.00
Total Assets		9,904,112,288.25
LIABILITIES:		0.00
EQUITY:		
Excess of Assets over Liabilities		$ 9,904,112,288.25
Total Liabilities and Equity		**9,904,112,288.25**